



## Missouri's Total Bill for Propane at a Glance

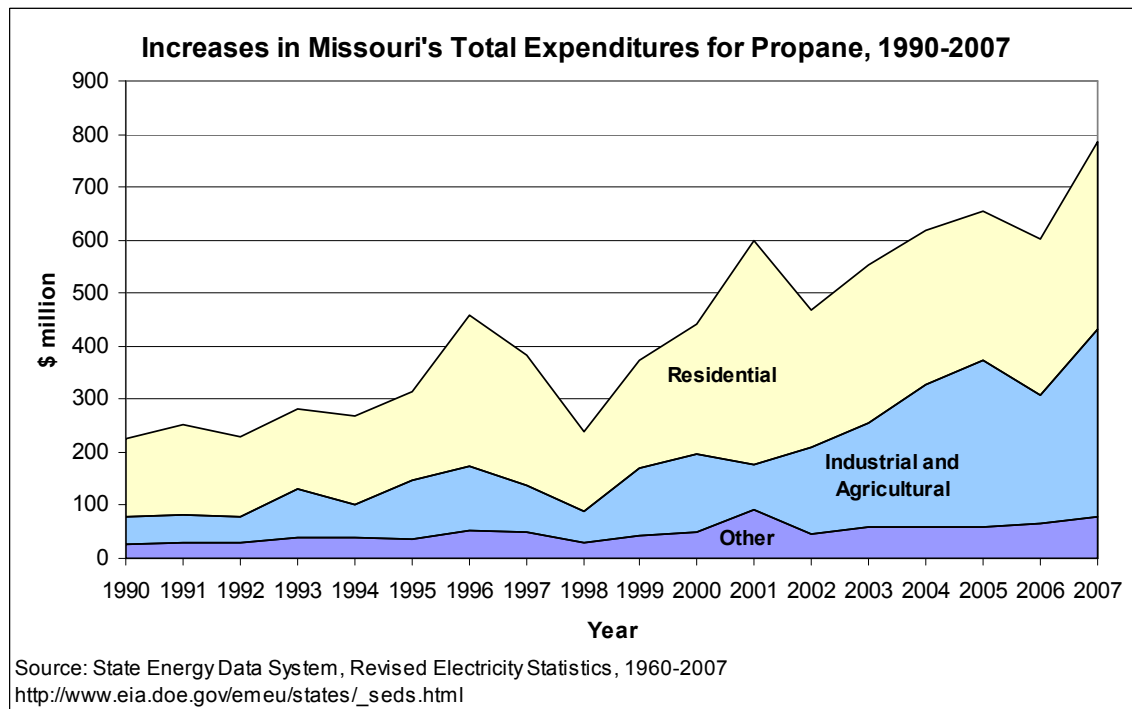
### Missouri's Total Bill for Propane, 2007

Outside the transportation sector, the most important petroleum-based fuel is propane. In 2007 propane expenditures constituted about 35 percent of expenditures for petroleum outside the transportation sector. In 2007 Missouri ranked 12th among all states in residential expenditures for propane.

Missouri's residential sector accounts for about 45 percent of total state expenditures for propane. Approximately 13 percent (293,603) of Missouri households heat with propane. About 17 percent of the Missouri residential sector's total energy bill is for propane. Agriculture and industry are the other major users of propane in Missouri.

### Increases in Missouri's Total Expenditures for Propane, 1990-2007

Figure 1



End user expenditures for propane nearly quadrupled between 1990 and 2007, a **compound annual growth rate** of 7.6 percent during that time period.

As with natural gas, residential and agricultural demand and expenditures for propane varies with the weather.

Expenditures for propane, like those for electricity and transportation fuels, trended upward since 1990. The general upward trend continued with steady increases each year after 2002. The one exception to this trend was in 2006, when expenditures fell 8.3 percent compared to 2005. Between 2006 and 2007, expenditures increased 30.7 percent.

Propane expenditures are variable due to a number of unpredictable factors that affect propane demand, supply and price. The demand pattern for propane is highly seasonal. Residential demand peaks during the winter heating season and the major agricultural use for propane, crop drying, occurs in the autumn. Demand increases about 50 percent from its low point to its peak. Both residential and agricultural demand for propane depends heavily on weather. Moreover, adequate inventories entering the heating season are critical to keep prices from increasing sharply. Price volatility can be induced by swings in the price of crude oil as well as changes in demand due to unusually mild or severe weather.

Additional information on factors affecting [propane demand, supply and prices](#) is available online. During the winter heating season, the Energy Center surveys propane retailers and reports price information in bimonthly [Energy Bulletins](#).